

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**TO THE BOARD OF SUPERVISORS
COUNTY OF FAUQUIER
WARRENTON, VIRGINIA**

We have audited the financial statements of the County of Fauquier, Virginia as of and for the year ended June 30, 2003, and have issued our report thereon dated September 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Specifications for Audits of Counties, Cities and Towns, issued by the Auditor of Public Accounts of the Commonwealth of Virginia; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County of Fauquier, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Fauquier, Virginia's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management in a separate letter dated September 12, 2003.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Farmer, Cox Associates

Charlottesville, Virginia

September 12, 2003

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

**TO THE BOARD OF SUPERVISORS
COUNTY OF FAUQUIER
WARRENTON, VIRGINIA**

Compliance

We have audited the compliance of the County of Fauquier, Virginia with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The County of Fauquier, Virginia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Fauquier, Virginia's management. Our responsibility is to express an opinion on the County of Fauquier, Virginia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Fauquier, Virginia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Fauquier, Virginia's compliance with those requirements.

In our opinion, the County of Fauquier, Virginia complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of the County of Fauquier, Virginia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Fauquier, Virginia's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Supervisors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Farmer & Associates

Charlottesville, Virginia

September 12, 2003

COUNTY OF FAUQUIER, VIRGINIA

**Schedule of Expenditures of Federal Awards
Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2003**

Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number	Federal Catalog Number	Expendi- tures
<u>Primary Government:</u>		
<u>DEPARTMENT OF AGRICULTURE:</u>		
<u>Pass through payments:</u>		
Department of Social Services:		
Food Stamp Program	10.561	\$ 219,881
Total Department of Agriculture		\$ 219,881
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>		
<u>Pass through payments:</u>		
Community development block grant	14.228	\$ 304,264
Total Department of Housing and Urban Development		\$ 304,264
<u>DEPARTMENT OF FEDERAL AVIATION ADMINISTRATION:</u>		
<u>Direct payments:</u>		
Airport Improvement Program	20.106	\$ 257,094
<u>U. S. DEPARTMENT OF TRANSPORTATION /</u>		
<u>DEPARTMENT OF MOTOR VEHICLES:</u>		
<u>Pass through payments:</u>		
Community Traffic Safety	20.600	\$ 3,100
Open container/Alcohol impaired driving	20.000	24,077
Salem meeting house grant	20.000	40,082
Total Department of Transportation		\$ 67,259
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>		
<u>Pass through payments:</u>		
Virginia Department of Social Services:		
Foster Care - Title IV-E	93.658	\$ 332,024
Social services block grant	93.667	271,193
Adoption incentive payments program	93.603	5,506
Child care development	93.596	181,412
Independent living	93.674	3,658
Medical assistance program	93.778	151,563
Family preservation and support	93.556	14,403
Adoption assistance	93.659	38,531
Child care assistance	93.575	378,185
Low income home energy assistance	93.568	5,409
Temporary assistance to needy families	93.558	210,683
Refugee and entrant assistance - discretionary	93.566	269
Total Department of Health and Human Services		\$ 1,592,836
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>		
<u>Pass through payments:</u>		
Disaster relief public assistance	83.544	\$ 28,380
Emergency management preparedness grant	83.552	10,822
State and local all hazards emergency operations planning	83.562	15,278
Total Federal Emergency Management Agency		\$ 54,480

COUNTY OF FAUQUIER, VIRGINIA**Schedule of Expenditures of Federal Awards
- Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2003 (Continued)**

Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number	Federal Catalog Number	Expendi- tures
<u>DEPARTMENT OF JUSTICE:</u>		
<u>Direct payments:</u>		
Cops grant	16.000	\$ 39,044
Bullet proof vest program	16.000	5,023
<u>Pass through payments:</u>		
Department of Criminal Justice Services:		
State domestic preparedness equipment support program	16.007	51,475
Juvenile Justice and Delinquency Prevention	16.540	25,732
Drug control and system improvement	16.579	9,428
Local law enforcement block grant	16.592	24,704
Police assisted community drug enforcement program	16.580	<u>30,071</u>
Total Department of Justice		\$ <u>185,477</u>
Total Primary Government		\$ <u><u>2,681,291</u></u>
Component Unit - School Board:		
<u>DEPARTMENT OF AGRICULTURE:</u>		
<u>Pass through payments:</u>		
Department of Agriculture and Consumer Services:		
Food distribution	10.555	\$ 172,382
Department of Education:		
National school breakfast program	10.553	96,499
National school lunch program	10.555	<u>540,453</u>
Total Department of Agriculture		\$ <u>809,334</u>
<u>DEPARTMENT OF LABOR:</u>		
<u>Direct payments:</u>		
ROTC Instruction	17.000	\$ 47,634
<u>Pass Through Payments:</u>		
Department of Education:		
School to work grant	17.261	<u>7,847</u>
Total Department of Labor		\$ <u>55,481</u>

COUNTY OF FAUQUIER, VIRGINIA**Schedule of Expenditures of Federal Awards
- Primary Government and Discretely Presented Component Unit
Year Ended June 30, 2003 (Continued)**

Federal Granting Agency / Recipient State Agency/ Grant Program / Grant Number	Federal Catalog Number	Expendi- tures
<u>DEPARTMENT OF EDUCATION:</u>		
Pass Through Payments:		
Department of Education:		
Education Consolidation and Improvement		
Act of 1981:		
Adult education state-administered program	84.002	\$ 70,445
Chapter I:		
Financial assistance to meet special educational needs of disadvantaged children - programs operated by local education agencies	84.010	682,648
Elementary and secondary education act (ESEA):		
Title VI-B	84.027	1,107,907
Sliver grant	84.027	25,918
Title II-Education for economic security	84.281	26,336
Vocational Education:		
Basic grants to states	84.048	122,949
Title VI	84.298	37,488
Title II - Part A	84.367	174,555
Drug free schools	84.186	77,398
Refugee school impact	93.576	2,093
Preschool incentive grant	84.173	65,152
Literacy challenge grant	84.318	57,700
Class size reduction grant	84.340	<u>5,145</u>
Total Department of Education		\$ <u>2,455,734</u>
Total Component Unit School Board		\$ <u><u>3,320,549</u></u>
Total Federal Assistance Reporting Entity		\$ 6,001,840

COUNTY OF FAUQUIER, VIRGINIA

Schedule of Findings and Questioned Costs Year Ended June 30, 2003

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?	No

Identification of major programs:

<u>CFDA #</u>	<u>Name of Federal Program or Cluster</u>
93.667	Social services block grant
93.575	Child care assistance
10.561	Food stamp program
93.658	Foster care
93.778	Medical assistance program
93.558	Temporary assistance to needy families

Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

There are no financial statement findings to report.

Section III - Federal Award Findings and Questioned Costs

There are no federal award findings and questioned costs to report.